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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL	
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MR.
2/28

SEC FILE NUMBER
8- 18467

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Maxwell Noll, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

600 South Lake Avenue, No. 405

(No. and Street)

Pasadena

CA

91106-3955

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

H. Eugene Noll

626/796-7133

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ackerman, Matthew, Fiber & Wainberg

(Name - if individual, state last, first, middle name)

1180 South Beverly Drive, No. 500 Los Angeles CA

90035

(Address)

(City)

(State)

(Zip Code)

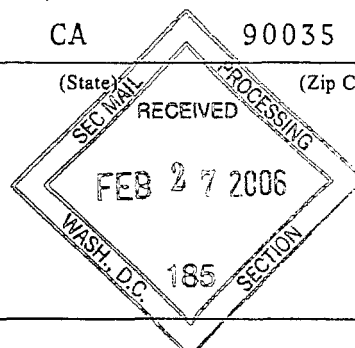
CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or possessions.

PROCESSED
MAR 17 2006
THOMSON
FINANCIAL



FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, H. Eugene Noll, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Maxwell Noll Inc., as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 24th DAY OF FEBRUARY 2006

AT PASADENA CALIFORNIA

BY H. EUGENE NOLL

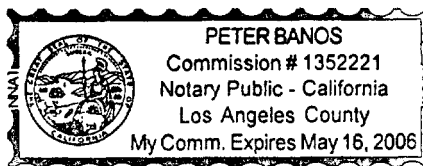
PETER BANOS - NOTARY PUBLIC

Notary Public

Signature

Chairman, CEO

Title



This report **contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

MAXWELL, NOLL INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2005

ACKERMAN, MATTHEW, FIBER & WAINBERG

CERTIFIED PUBLIC ACCOUNTANTS

1180 SOUTH BEVERLY DRIVE, SUITE 500

LOS ANGELES, CALIFORNIA 90035

(310) 553-0052

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SEYMOUR S. MATTHEW, C. P. A.
LAWRENCE I. FIBER, C. P. A.
LAWRENCE N. WAINBERG, C. P. A.

IRVING ACKERMAN, C. P. A. (RETIRED)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Maxwell, Noll Inc.
600 S. Lake Avenue, Suite 450
Pasadena, CA 91106-3955

We have audited the accompanying statement of financial condition of Maxwell, Noll Inc. as of December 31, 2005 and the related statements of income, cash flows and changes in stockholders' equity for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Maxwell, Noll Inc. as of December 31, 2005 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also examined the supplementary schedules 1 through 3 and in our opinion, they present fairly the information included therein in conformity with rules of the Securities and Exchange Commission.

Ackerman, Matthew, Fiber & Wainberg

February 15, 2006

MAXWELL, NOLL INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2005

ASSETS

CURRENT ASSETS

Cash in Bank with Broker	\$116,983	
Due From Clearing Broker	13,819	
Interest Receivable	2,221	
Consulting Fees Receivable	7,258	
Investment in Securities (at market)	10,554	
Prepaid Income Taxes	2,654	
Prepaid Expenses	<u>8,224</u>	
Total Current Assets		\$161,713

FIXED ASSETS

Office Furniture and Equipment	14,100	
Less: Accumulated Depreciation	<u>11,422</u>	
Total Fixed Assets		2,678

OTHER ASSETS

Security Deposit	<u>2,814</u>	
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Total Assets		<u>\$167,205</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable		\$ 7,003
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OTHER LIABILITIES

Deferred Taxes	<u>1,490</u>	
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Total Liabilities		8,493
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STOCKHOLDERS' EQUITY

Common Stock, Authorized 750 shares		
Issued and Outstanding 522 shares	\$ 52,200	
Paid in Capital	13,779	
Retained Earnings	86,567	
Accumulated Other Comprehensive Income (Net of Tax)	<u>6,166</u>	
Total Stockholders' Equity		<u>158,712</u>

Total Liabilities and Stockholders' Equity		<u>\$167,205</u>
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(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

MAXWELL, NOLL INC.
STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES

Consulting Income	\$802,912
Commission Income	77,856
Interest Income	<u>35,609</u>

TOTAL REVENUES	\$ 916,375
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EXPENSES

Salaries	\$659,602
Pension Plan	58,465
Insurance	42,064
Rent	36,421
Payroll Taxes	32,299
Advertising & Promotion	13,808
Dues, Subscriptions & Fees	12,628
Director Fees	10,800
Professional Fees	10,119
Office Expense	9,816
Entertainment & Travel	8,169
Quotation Expenses	7,275
Telephone	5,952
Professional Development	4,074
Other Expenses	2,082
Depreciation	<u>817</u>

Total Expenses	<u>914,391</u>
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Income (Loss) Before Provision for Income Taxes	1,984
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Provision for Income Taxes	<u>1,005</u>
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Net Income (Loss)	<u><u>\$ 979</u></u>
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(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

MAXWELL, NOLL INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2005

	Common Stock	Paid in Capital	Retained Earnings	Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance - Beginning of Year	\$52,200	\$ 13,779	\$ 85,588	\$ (255)	\$ 151,312
Net Income for the Year Ended December 31, 2005			979		979
Unrealized Gain (Loss) for the Year Ended December 31, 2005				6,421	6,421
Balance - End of Year	<u>\$52,200</u>	<u>\$ 13,779</u>	<u>\$ 86,567</u>	<u>\$ 6,166</u>	<u>\$ 158,712</u>

(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

MAXWELL, NOLL INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005
INCREASE (DECREASE) IN CASH

CASH FLOW FROM OPERATING ACTIVITIES

Net Income	\$ 979
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ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES:

Items Not Requiring Cash

Depreciation	817
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NET CHANGES IN ASSETS AND LIABILITIES

Increase in Due From Clearing Broker	(7,718)
Increase in Consulting Fees Receivable	(5,305)
Decrease in Interest Receivable	1,299
Increase in Prepaid Income Taxes	(2,654)
Increase in Prepaid Expenses	(7,022)
Increase in Accounts Payable and Accrued Expenses	1,227
Decrease in Income Taxes Payable	(2,096)
Increase in Deferred Taxes Payable	<u>216</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(20,257)
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CASH PROVIDED (USED) BY INVESTING ACTIVITIES

Decrease in Short-term Investments	\$98,930	
Purchase of Fixed Assets	<u>(1,600)</u>	

NET CASH PROVIDED BY INVESTING FACILITIES	<u>97,330</u>
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NET INCREASE IN CASH	77,073
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Balance, January 1, 2005	<u>39,910</u>
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Balance, December 31, 2005	<u><u>\$116,983</u></u>
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Supplemental Information:

Franchise Taxes Paid	\$ 2,047
Federal Income Taxes Paid	3,552

(SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT)

MAXWELL, NOLL INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statement follows:

BUSINESS ACTIVITY

The Company is a NASD licensed broker-dealer. Its customers are individuals and the related commission revenue is recorded on a trade date basis net of clearance and brokerage charges.

The Company acts as an introducing broker-dealer, whereby all security transactions are cleared on a fully-disclosed basis with a clearing broker. The clearing broker-dealer receives and disburses all funds and maintains all customer records on behalf of the Company. The clearing broker remits the commissions net of its brokerage and clearing fees to the company.

Maxwell, Noll Investment Counsel, a division of Maxwell, Noll Inc., is a registered investment advisor with the Securities and Exchange Commission. Maxwell, Noll Investment Counsel manages money on a fee basis.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PROPERTY AND EQUIPMENT

Equipment and furniture is stated at cost. The Company provides for depreciation over the useful life of five to seven years, using the straight line method of depreciation.

FEDERAL AND STATE INCOME TAXES

Federal and State Corporate Income Taxes are calculated based on the statutory rates applicable. Prepaid or deferred income taxes which result from timing differences in the recognition of income and expenses for income tax purposes versus financial statement purposes have been recognized.

2. CONCENTRATIONS OF CREDIT RISKS

Transactions which potentially subject the company to concentrations of credit risk are very low. The company uses one broker for maintaining its clearance account. The value of cash and securities held by the broker do not exceed the mandated coverage provided by SIPC funded by broker/dealers. The Company has a rule that there must be sufficient cash or securities in the customers account prior to the execution of a transaction. If informed of a problem, the company immediately instigates a corrective action to limit any liabilities.

MAXWELL, NOLL INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

3. INVESTMENT IN SECURITIES

The securities with a current market value of \$10,554 (cost \$3,060) are held for investment purposes and are classified as available for sale.

4. EMPLOYEE BENEFITS PLAN

The Company maintains a noncontributory, profit-sharing and savings plan for its employees. The Company may contribute up to 25% of compensation paid to eligible employees. Contributions for the year ended December 31, 2005 were \$65,470. The Company also has a voluntary Safe Harbor 401(k) Plan for employees. The nonelective contributions to the 401 (k) plan are not matched by the company. The Company does not have a formal sick and vacation plan and has not recorded any potential liability that might have accrued thereon.

5. INCOME TAXES

Corporate income tax expense for the fiscal year ending December 31, 2005 consists of the following.

	<u>Current Payable</u>	<u>Deferred</u>	<u>Current Provision</u>
Federal	\$ 383	\$ (178)	\$ 205
State	<u>800</u>	<u>0</u>	<u>800</u>
Total	<u>\$ 1,183</u>	<u>\$ (178)</u>	<u>\$ 1,005</u>

Temporary differences giving rise to the deferred tax payable consist primarily of differences between income tax and financial statement treatment of depreciation and increase in unrealized gain in securities held for investment.

6. OTHER COMPREHENSIVE INCOME

Other comprehensive income reflects the unrealized gain net of federal income tax of securities available for sale.

Unrealized Gain on Marketable Securities	
Available for Resale	\$7,254
Less: Federal Income Tax	<u>(1,088)</u>
Accumulated Other Comprehensive Income	<u>\$6,166</u>

7. LEASE COMMITMENTS

The Company is obligated under a lease commitment for the premises it occupies to June 30, 2008.

Minimum Annual Lease Payments are as follow:

2006	35,135
2007	36,048
2008	<u>18,252</u>
Total	<u>\$89,435</u>

MAXWELL, NOLL INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

8. **NET CAPITAL REQUIREMENT**

The company is subject to the Uniform Net Rule (15c-3-1) of the Securities and Exchange Commission which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital both as defined, shall not exceed 15 to 1. At December 31, 2005 the Company had net capital of \$133,501 which was \$128,501 in excess of its required net capital of \$5,000. Its ratio for aggregate indebtedness to net capital was .06 to 1.

MAXWELL, NOLL INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
DECEMBER 31, 2005

Supplementary Schedule 1

	<u>Audited</u>	<u>Unaudited</u>	<u>Difference</u>
Total Ownership Equity	\$158,712	\$ 154,497	\$ 4,215
Non-Allowable Assets and Deductions	23,628	15,211	(8,417)
Haircuts on Securities	<u>1,583</u>	<u>3,638</u>	<u>2,055</u>
Net Capital	133,501	135,648	(2,147)
Required Net Capital	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Excess Net Capital	<u>\$128,501</u>	<u>\$130,648</u>	<u>\$ (2,147)</u>
Aggregate Indebtedness	<u>\$ 8,493</u>	<u>\$ 1,716</u>	<u>\$ 6,777</u>
Percent of Aggregate Indebtedness to Net Capital	<u>6.36%</u>	<u>1.27%</u>	

Principal differences in the net capital computations are due accruals and adjustments made during the examination.

MAXWELL, NOLL INC.
DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3
DECEMBER 31, 2005

Supplementary Schedule 2

The company operates on a fully disclosed basis with Wedbush Morgan Securities.

Wedbush Morgan Securities confirm directly to customers and are responsible for carrying and clearing securities transactions.

The above procedures exempt the Company from the Reserve Requirements of Rule 15c3-3.

MAXWELL, NOLL INC.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3
DECEMBER 31, 2005

Supplementary Schedule 3

The Company operates on a fully disclosed basis. Clients are instructed to send all money and securities directly to the clearing broker, Wedbush Morgan Securities. If the company receives money or securities by mistake, it promptly forwards all securities received to Wedbush Morgan Securities thereby exempting Maxwell, Noll Inc. from Rule 15c3-3 as it relates to possession and control requirements.

ACKERMAN, MATTHEW, FIBER & WAINBERG

CERTIFIED PUBLIC ACCOUNTANTS

1180 SOUTH BEVERLY DRIVE, SUITE 500

LOS ANGELES, CALIFORNIA 90035

(310) 553-0052

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IRVING ACKERMAN, C. P. A. (RETIRED)

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

February 15, 2006

To the Board of Directors
Maxwell, Noll Inc.
600 S. Lake Avenue, Suite 450
Pasadena, CA 91106-3655

In planning and performing our audit of the financial statements of Maxwell, Noll Inc. for the year ended December 31, 2005 we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Maxwell, Noll Inc. including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a3(a)(11) and for determining compliance with the exemptive provision of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under the Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

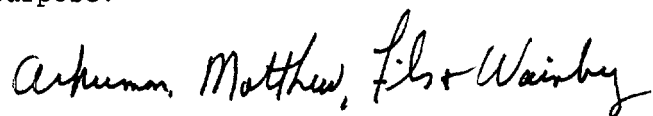
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and of the practices and procedures are to provide management with reasonable but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the AICPA. A material weakness is a condition in which the design or operation of the specific internal control component does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and the related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purpose. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005 to meet the Commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

A handwritten signature in cursive script that reads "Ackerman, Matthew, Fiber & Wainberg".

ACKERMAN, MATTHEW, FIBER & WAINBERG